

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY

)

)

) CASE NO. 96-355

)

ALLEGED VIOLATION OF ADMINISTRATIVE
REGULATION 807 KAR 5:041, SECTION 3

)

)

O R D E R

On July 29, 1996, the Commission directed Kentucky Utilities Company ("KU") to appear before it and show cause why it should not be penalized pursuant to KRS 278.990(1) for its alleged violation of Commission Regulation 807 KAR 5:041, Section 3. Following the commencement of this proceeding, KU and Commission Staff entered into negotiations to resolve all outstanding issues in this proceeding. On June 19, 1998, they executed a Settlement Agreement, appended hereto, and jointly moved for Commission approval of that Agreement.

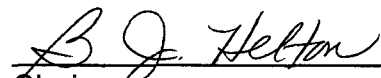
In reviewing this Settlement Agreement, the Commission has considered, inter alia, the circumstances surrounding the March 13, 1996 incident, KU's efforts to comply with the Commission's safety regulations, and its willingness to improve and enhance its existing safety programs and operations. The Commission finds that the Settlement Agreement is in accordance with the law, does not violate any regulatory principle, results in a reasonable resolution of this case, and is in the public interest.

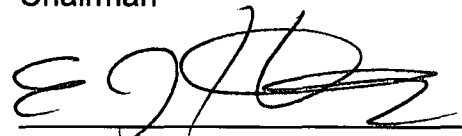
IT IS THEREFORE ORDERED that:

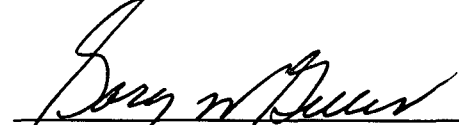
1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.
2. The terms and conditions set forth in the Settlement Agreement are adopted and approved.
3. Within 10 days of the date of this Order, KU shall pay to the Commonwealth of Kentucky the sum of Five Hundred (\$500) Dollars. This payment shall be in the form of a cashier's or certified check made payable to "Treasurer, Commonwealth of Kentucky" and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.
4. This case is closed and shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 14th day of July, 1998.

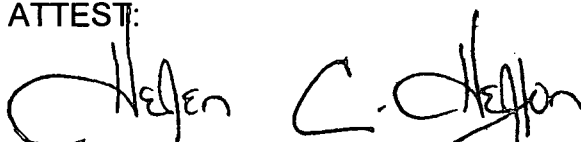
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE

COMMISSION IN CASE NO. 96-355 DATED JULY 14, 1998

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

JUN 26 1998

PUBLIC SERVICE
COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)
)
ALLEGED VIOLATION OF COMMISSION)
REGULATIONS, 807 KAR 5:041,)
SECTION 3)

CASE NO. 96-355

SETTLEMENT AGREEMENT

THIS AGREEMENT is made and entered this 19th day of June, 1998,
by and between the STAFF OF THE PUBLIC SERVICE COMMISSION OF
KENTUCKY ("Commission Staff") and KENTUCKY UTILITIES COMPANY
("KU").

W I T N E S S E T H :

THAT, WHEREAS, KU is a Kentucky corporation that owns and
operates facilities used in the distribution of electricity to the
public for compensation for light, heat, power and other uses; and,

WHEREAS, on March 13, 1996, an incident occurred at or near
3236 Taylor Mine Road, Beaver Dam, Kentucky; and,

WHEREAS, on April 26, 1996, Commission Staff issued an Utility
Accident Investigation Report regarding this incident; and,

WHEREAS, on July 29, 1996, the Public Service Commission
entered an order establishing this case and directing KU to show
cause why it should not be subject to the penalties of KRS
278.990(1) relating to this incident; and,

WHEREAS, on August 19, 1996, KU, by counsel, filed its
response to the Commission's Order of July 29, 1996; and,

WHEREAS, KU and Commission Staff desire to settle the issues raised by this proceeding and have entered into this Settlement Agreement through compromise to settle the proceeding.

NOW, THEREFORE, KU and Commission Staff agree that:

1. Within 10 days of after the entry of an Order approving this Settlement Agreement, KU shall pay to the Commonwealth of Kentucky the sum of Five Hundred (\$500) Dollars. This payment shall be in the form of a cashier's or certified check made payable to Treasurer, Commonwealth of Kentucky and shall be mailed or delivered to: Office of General Counsel, Public Service Commission of Kentucky, 730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

2. KU shall adopt the following written policy:

No person shall attach or connect to KU's utility poles any circuits or lines supplying current to an electric fence.

3. Nothing contained herein shall be construed as an admission of a willful violation of any statute, administrative regulation or any provision of the NESC nor shall the Public Service Commission's acceptance of this agreement be construed as a finding of a willful violation of any statute, administrative regulation or any provision of the NESC.

4. This Agreement is subject to the acceptance of and approval by the Public Service Commission.

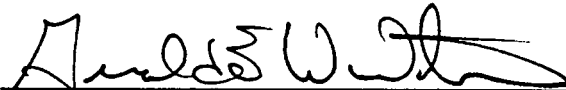
5. If the Public Service Commission fails to accept and approve this Settlement Agreement in its entirety, this proceeding

shall go forward and neither the terms of this Settlement Agreement nor any matters raised during settlement negotiations shall be binding on either signatory or be construed against either KU or Commission Staff.

6. Commission Staff shall recommend to the Public Service Commission that this Settlement Agreement be accepted and approved.

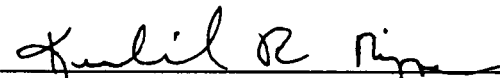
IN WITNESS WHEREOF, KU and Commission Staff have executed this Settlement Agreement the day and year first above written by and through their duly authorized attorneys.

STAFF OF PUBLIC SERVICE
COMMISSION OF KENTUCKY

BY: 

TITLE: Staff Attorney

KENTUCKY UTILITIES COMPANY

BY: 

TITLE: Counsel for Kentucky Utilities Company

0127911.01